

NOTICE OF SALE

PUBLIC AUCTION SALE OF STATE OF HAWAII LEASES ON THE ISLAND OF OAHU AND HAWAII

The Department of Land and Natural Resources (DLNR), Land Division will be conducting a public auction sales of three (3) leases for State lands at the following dates and locations:

ISLAND OF OAHU

DATE & TIME: Thursday, November 30, 2006; 10:00 a.m.

PLACE: Kalanimoku Building, 1151 Punchbowl Street,
DLNR Board Room, Makai Wing, Room 131,
Honolulu, Oahu 96813.

The Leases intended to be auctioned on the above date are as follows:

ITEM I:

LOCATION: Lots 1, 2, and 3, Waikele, Ewa, Oahu, and further identified by TAX MAP KEYS: (1) 9-4-166:1, 2, and 3; AREAS: 24,974 square feet; 16,479 square feet; and 21,935 square feet, more or less; SPECIFIC USE: Solely for light industrial uses as permitted by the State of Hawaii and the City and County of Honolulu's land use ordinances; TERM: 65 years; UPSET MINIMUM ANNUAL LEASE RENTAL: \$182,560 per annum, payable semi-annually in advance; FIXED INCREASES: Take effect following the end of the 5th year of the lease (1st year's rent x 1.05); 10th year of the lease (1st year's rent x 1.15); 15th year of the lease (1st year's rent x 1.25); 20th year of the lease (1st year's rent x 1.35); 25th year of the lease (1st year's rent x 1.45); RENTAL REOPENING: At the end of the 30th, 40th, 50th and 60th years of the lease term; PERFORMANCE BOND: Amount equal to two times the annual rental payable; MINIMUM IMPROVEMENTS: Within 3 years from the commencement date of the lease, the Lessee shall have completed construction of improvements having a value not less than \$3,000,000. Said improvements shall be in accordance with plans approved by mill Town Center Business and Industrial Park Design Review Committee as required by Declaration of Covenants, Conditions and Restrictions for Mill Town Center Business and Industrial Park and submitted to the Chairperson for approval prior to their construction; IMPROVEMENT BOND: Amount of the improvements; and OTHER RESPONSIBILITIES: Monthly lot maintenance fee assessment payable to the Mill Town Business and Industrial Park Center Association (Lot 1 @ \$354.27; Lot 2 @ \$226.73; and Lot 3 @ \$311.76).

ITEM II:

LOCATION: Lots 24, 25, and 26, Waikele, Ewa, Oahu, and further identified by TAX MAP KEYS: (1) 9-4-166:24, 25, and 26; AREAS: 17,057 square feet; 16,679 square feet; and 16,000 square feet, more or less; SPECIFIC USE: Solely for light industrial uses as permitted by the State of Hawaii and the City and County of Honolulu's land use ordinances; TERM: 65 years; UPSET MINIMUM ANNUAL LEASE RENTAL: \$146,020 per annum, payable semi-annually in advance; FIXED INCREASES: Take effect following the end of the 5th year of the lease (1st year's rent x 1.05); 10th year of the lease (1st year's rent x 1.15); 15th year of the lease (1st year's rent x 1.25); 20th year of the lease (1st year's rent x 1.35); 25th year of the lease (1st year's rent x 1.45); RENTAL REOPENING: At the end of the 30th, 40th, 50th and 60th years of the lease term; PERFORMANCE BOND: Amount equal to two times the annual rental payable; MINIMUM IMPROVEMENTS: Within 3 years from the commencement date of the lease, the Lessee shall have completed construction of improvements having a value not less than \$3,000,000. Said improvements shall be in accordance with plans approved by mill Town Center Business and Industrial Park Design Review Committee as required by Declaration of Covenants, Conditions and Restrictions for Mill Town Center Business and Industrial Park and submitted to the Chairperson for approval prior to their construction; IMPROVEMENT BOND: Amount of the improvements; and OTHER RESPONSIBILITIES: Monthly lot maintenance fee assessment payable to the Mill Town Business and Industrial Park Center Association (Lot 24 @ \$240.90; Lot 25 @ \$240.90; and Lot 26 @ \$226.73).

Applications by prospective bidders for the above listed item must be received by the DLNR no later than 4:00 p.m., on Thursday, November 2, 2006 at any one of the District Land Offices listed below. Any person who has failed to submit an Application and all required attachments by this date and time will not be allowed to bid. Each applicant shall be informed in writing in advance of the auction date as to his/her eligibility to bid at the public auction. See Public Auction Bid Packet for further instructions.

ISLAND OF HAWAII

DATE & TIME: Thursday, December 14, 2006; 10:00 a.m.

PLACE: State Office Building, 75 Aupuni Street, West Lanai, Hilo, Hawaii 96720.

The Lease intended to be auctioned on the above date and the subject parcel is as follows:

ITEM I:

LOCATION: Lot 15 of the Panaewa Farm Lots, 2nd Series, Waiakea, South Hilo, Hawaii, as further identified as TAX MAP KEY: (3) 2-4-49:29; AREA: 10.103 acres, more or less; SPECIFIC USE: Solely for intensive agriculture purpos; TERM: 30 years; UPSET MINIMUM ANNUAL

LEASE RENTAL: \$1,730 per annum, payable semi-annually in advance;
RENTAL REOPENING: At the end of the 10th and 20th years of the lease term.

Applications by prospective bidders for the above listed items must be received by the DLNR no later than 4:30 p.m., on Tuesday, November 14, 2006 at any one of the District Land Offices listed below. Any person who has failed to submit an Application and all required attachments by this date and time will not be allowed to bid. Each applicant shall be informed in writing in advance of the auction date as to his/her eligibility to bid at the public auction. See Public Auction Bid Packet for further instructions.

Any person wishing to bid and purchase a lease for the item listed above must first qualify to bid under the general qualifying criteria and the pre-qualifying criteria as described in the Public Auction Bid Packet. Eligibility to bid shall be determined by the information supplied by prospective bidders in the Application and Qualification Questionnaire form ("Application").

The Public Auction Bid Packet describing the auction sale procedures, qualification requirements and other requirements, the draft lease document describing the terms and conditions of the lease, survey map, and description of the item listed above may be examined at the District Land Offices listed below. Copies of the Application may be obtained at the District Offices listed below:

Oahu District Land Office
Kalanimoku Building
1151 Punchbowl Street, Room 220
Honolulu, Oahu 96813

Tel. 587-0433

Maui District Land Office
State Office Building
54 South High Street
Wailuku, Maui 96793

Tel. 984-8103

Hawaii District Land Office
State Office Building
75 Aupuni Street, Room 204
Hilo, Hawaii 96720

Tel. 974-6203

Kauai District Land Office
State Office Building
3060 Eiwa Street, Room 306
Lihue, Kauai 96766

Tel. 274-3491

Call or write to any of these offices to request information in an alternate format or if requiring special accommodations. You may also visit our website to review the general pre-qualifying and qualifying criteria and to download the Public Auction Bid Packet at:

www.hawaii.gov/dlnr/land

Prospective bidders are responsible to thoroughly read and understand the covenants, terms, reservations and conditions contained in the Public Auction Bid Packet, and draft lease document. Furthermore, prospective bidders are responsible to inspect the premise to be bid on.

All bidders or authorized representatives must be present in person at the auction. The DLNR reserves the right to cancel or postpone the public auction, to reject any and all Applications and to waive any defects when, in the opinion of the Chairperson of the Board of Land and Natural Resources, such action will be in the best interest of the State.

DONE at the office of the Department of Land and Natural Resources, State of Hawaii this 19th day of September, 2006.

BOARD OF LAND AND NATURAL RESOURCES

By: /s/

Peter T. Young, Chairperson

Statewide
October 2, 2006